

NOTICE  
OF  
MEETING



**AUDIT AND PERFORMANCE REVIEW PANEL**

will meet on

**WEDNESDAY, 14TH DECEMBER, 2016**

at

**7.00 PM**

in the

**COUNCIL CHAMBER - TOWN HALL,**

TO: MEMBERS OF THE AUDIT AND PERFORMANCE REVIEW PANEL

COUNCILLOR PAUL BRIMACOMBE (CHAIRMAN)  
COUNCILLORS STUART CARROLL, DR LILLY EVANS, LYNNE JONES,  
JACK RANKIN, MJ SAUNDERS, ADAM SMITH (VICE-CHAIRMAN) AND  
EDWARD WILSON

SUBSTITUTE MEMBERS  
COUNCILLORS MALCOLM BEER, JOHN COLLINS, DAVID EVANS,  
RICHARD KELLAWAY, ROSS MCWILLIAMS, COLIN RAYNER,  
WESLEY RICHARDS, JOHN STORY AND SIMON WERNER

Karen Shepherd - Democratic Services Manager  
Issued: 6/12/16

Members of the Press and Public are welcome to attend Part I of this meeting.

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Panel Administrator

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## AGENDA

### PART I

<u>ITEM</u>	<u>SUBJECT</u>	<u>WARD</u>	<u>PAGE NO</u>
1.	<u>APOLOGIES</u> To receive any apologies for absence.		
2.	<u>DECLARATIONS OF INTEREST</u> To receive any declarations of interest.		5 - 6
3.	<u>MINUTES</u> To approve the Part I minutes of the meeting held on 26 October 2016.		7 - 14
4.	<u>RESERVES, CAPITAL EXPENDITURE AND DEBT</u> To consider the report.		15 - 22
5.	<u>2016-17 SHARED AUDIT AND INVESTIGATION SERVICE INTERIM REPORT</u> To consider the report.		23 - 38
6.	<u>HUMAN RESOURCES</u> To consider the report on Senior Leadership Programme update, Supporting Managers through change update and Having the Right People and Tools.		To Follow
7.	<u>RBWM KEY RISKS REPORT</u> To consider the report.		To Follow
8.	<u>LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PRESS AND PUBLIC</u> "That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the remainder of the meeting whilst discussion takes place on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 1-7 of part I of Schedule 12A of the Act"		

**PART II**

<u>ITEM</u>	<u>SUBJECT</u>	<u>WARD</u>	<u>PAGE NO</u>
9.	<u>MINUTES</u>  To approve the Part I minutes of the meeting held on 26 October 2016.  <b><i>(Not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)</i></b>		39 - 40
ii.			

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## MEMBERS' GUIDANCE NOTE

### DECLARING INTERESTS IN MEETINGS

#### **DISCLOSABLE PECUNIARY INTERESTS (DPIs)**

DPIs include:

- Any employment, office, trade, profession or vocation carried on for profit or gain.
- Any payment or provision of any other financial benefit made in respect of any expenses occurred in carrying out member duties or election expenses.
- Any contract under which goods and services are to be provided/works to be executed which has not been fully discharged.
- Any beneficial interest in land within the area of the relevant authority.
- Any license to occupy land in the area of the relevant authority for a month or longer.
- Any tenancy where the landlord is the relevant authority, and the tenant is a body in which the relevant person has a beneficial interest.
- Any beneficial interest in securities of a body where
  - a) that body has a piece of business or land in the area of the relevant authority, and
  - b) either (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body **or** (ii) the total nominal value of the shares of any one class belonging to the relevant person exceeds one hundredth of the total issued share capital of that class.

#### **PREJUDICIAL INTERESTS**

This is an interest which a reasonable fair minded and informed member of the public would reasonably believe is so significant that it harms or impairs your ability to judge the public interest. That is, your decision making is influenced by your interest that you are not able to impartially consider only relevant issues.

#### **DECLARING INTERESTS**

If you have not disclosed your interest in the register, you **must make** the declaration of interest at the beginning of the meeting, or as soon as you are aware that you have a DPI or Prejudicial Interest. If you have already disclosed the interest in your Register of Interests you are still required to disclose this in the meeting if it relates to the matter being discussed. A member with a DPI or Prejudicial Interest **may make representations at the start of the item but must not take part in discussion or vote at a meeting.** The term 'discussion' has been taken to mean a discussion by the members of the committee or other body determining the issue. You should notify Democratic Services before the meeting of your intention to speak. In order to avoid any accusations of taking part in the discussion or vote, you must move to the public area, having made your representations.

If you have any queries then you should obtain advice from the Legal or Democratic Services Officer before participating in the meeting.

If the interest declared has not been entered on to your Register of Interests, you must notify the Monitoring Officer in writing within the next 28 days following the meeting.

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# Agenda Item 3

## AUDIT AND PERFORMANCE REVIEW PANEL

WEDNESDAY, 26 OCTOBER 2016

PRESENT: Councillors Paul Brimacombe (Chairman), Stuart Carroll, Dr Lilly Evans, Lynne Jones, Jack Rankin and Edward Wilson.

Also in attendance: Cllr Stretton,

Officers: Alison Alexander, Russell O'Keefe, Simon Fletcher, David Thompson, Rob Stubbs and David Cook.

### APOLOGIES

Apologies for absence were received from Cllr Smith and Cllr Saunders.

Cllr E Wilson, Cllr Jones and Cllr Carroll reported that they would be late.

### DECLARATIONS OF INTEREST

Councillor Rankin declared a personal interest in item 5, Brocket Hall, as this was not a Disclosable Pecuniary Interest he stayed and considered the item.

(Cllr Carroll joined the meeting.)

### MINUTES

The Part I minutes of the meeting held on 30 August 2016 were approved as a true and correct record subject to the following amendments and actions arising:

- Page 7, remove 'to the' before Berkshire Pension Fund as it was repeated.
- Page 8, transfer of Audit Regulations. The chairman had met with Cllr Saunders about this coming to the Audit Panel, awaiting progress from finance and KPMG.
- Page 9 the Chairman mentioned Cllr Smith recommended that the charts on pages 9 and 10 of the Annual Accounts report would have benefited from five years of comparative data and recommended that this be added to future reports. The Panel were informed that this would be added to future reports.
- Cllr Rankin had mentioned that the charts on page 10 of the Annual Accounts would benefit from explanation notes. The Chairman requested that this be actioned.
- Page 10, Transformation Programme. The Panel requested that the number of training days be added to future reports. The Chairman requested that this be actioned.
- Page 10, it was requested that the Leadership document be circulated to the Panel; this had not yet happened.
- Page 11, on demand training / coaching for managers. The Panel would be interested to know how this went.

### BROCKET HALL

The Chairman informed that he had asked for the Panel to receive a report on the property called Brocket so Members could consider, from a financial viewpoint, the present and future utility gained from this Council owned asset. The report showed the future use being proposed and explained how this provided the greatest utility for the Council.

Members noted that the item 'Brocket Hall' had been marked as 'to follow' on the agenda, as when the agenda was published the report had not been available as officer approvals had not yet been completed.

Cllr Jones mentioned that there had been concern for a number of years about the number of reports marked as 'to follow' on agendas and the lack of transparency as to why reports were not available at agenda publication.

Cllr Rankin mentioned that delaying the report for publication on a future agenda would raise more concern by local residents on the future of the property.

Cllr Stretton also mentioned that one reason why the publication of the report had been delayed was because the report was initially going to be Part II and she had requested that it be amended so it could be considered as Part I.

Cllr Rankin introduced the report and gave a brief overview of the Brocket's history including that it was a Grade II listed building inspired by the arts and crafts period with the main features of the house being its main entrance hall, panelled reception rooms and the staircase. There were many other noticeable features but these were the main ones and also its main limitation on use.

The Council's property team had been asked to consider the best use of the property and had concluded that this would be as residential lets as it would generate an income for the Council, retain the property in Council ownership and maintain the main historical features. Whilst undertaking the review of the property the Council commissioned CSK Architects to undertake a feasibility study.

Cllr Stretton reported that it had been proposed that the property could be used by the Registration Service and thus a feasibility study in its use had been undertaken. This study concluded that the property was not suited for use by the Registration Services due to parking restrictions and the layout of the listed building.

Cllr Stretton and the public were not convinced by the feasibility study and reported that they continued to engage about the property's future use.

The Interim Head of Contracts and Commissioning reiterated the restraints on the building's future use due to its Grade II listing and the restrictions of maintaining significant architectural features such as the main entrance hall. If the building were to be put back into public use there would also be issues such as the installation of ramps and a lift that would require a change to the building's infrastructure.

Mr Morgan, a local resident, informed the Panel and agreed that it was an important building that had its restrictions in use. He felt that residential use would be appropriate but felt that the southern garden should be protected as well as aspects of southern wall. He felt that the property's valuation of £2.3 million seemed low; however the Chairman mentioned that a new valuation would not be required as there were no plans to sell the building.

(Cllr E Wilson and Cllr Dr L Evans joined the meeting)

Mr Mellins, Maidenhead Heritage Trust, reiterated the buildings historical and architectural significance and raised concern that aspects of the buildings fine interior would be lost if the building was converted into residential properties and requested that more time be given to examining future use and retention of the building.

The Chairman reported that the options for consideration seemed to be that the property was converted into apartments, that an alternative public use be found or that a mixed use could be considered. In response the Panel were informed that by converting the property into apartments would help protect features such as the entrance hall and staircase and associated fine detail.



Cllr Stretton mentioned that this Panel role was focused on the financial aspects of the Council and its assets; however there was the need to protect the heritage of the borough. It was important that the Council found a use of the building that would keep it in public ownership and maintain public access. The architects had looked at options for the building under the remit given to them and there were other options not considered. There were also other aspects of the building, such as the kitchens, that were important to retain; these would be lost if converted into residential use.

Cllr Carroll as local Ward Member and Panel Member thanked the residents for attending the meeting and supported everything that had been said about the building's importance. He also thanked Cllr Rankin for being open and transparent about the building's future use and bringing this to the Panel.

Cllr Carroll requested that Members and officers further fully explore the building's future use and asked the question if it was feasible to maintain a community use. He was not fully against the property having a residential use as long as this was the best option and all other community uses had been explored. It was important to have an in depth explanation on what the building would look like before a final decision was made.

The Chairman agreed with the comments made by Cllr Carroll and felt that this should form part of a Task and Finish Groups remit. The Chairman also reported that there was an excellent example of a 'time capsule' house in London that showed alternative use for historical properties.

Cllr Stretton mentioned that she had spoken to the Chairman of the Culture and Communities O&S Panel who supported the idea of establishing a Task and Finish Group to look into the future use of Brocket and that this could include members of the public.

Mr Mellins reported that there were exciting regeneration projects being undertaken in Maidenhead but there was also a role to play by historical buildings like Brocket that would attract and help people stay in the area.

**Resolved unanimously: that the Panel recommends that the Culture and Communities O&S Panel promptly establish a Task and Finish Group to examine the future use of Brocket and that Members of the Audit and Performance Review Panel be invited to attend. Members of the public should either be invited to be on the Panel or called as witnesses.**

## PLANNING PERFORMANCE AND RESOURCE

The Chairman informed that he had asked for this item to be brought to Panel to explore the effectiveness of increased resource and the return on this investment on planning performance. He had asked that the Panel be shown information on the trend of applications to the Planning Department and the response time.

The Strategic Director , Corporate and Community Services, gave a presentation on planning performance compared to the level of resource committed. The presentation contained a table that showed the total number of planning applications processed, the percentage of major, minor and other applications processed in time against the national targets and the level of budget committed. The figures showed that from Q1 in 2015/16 to Q2 2016/17 performance across the IPMR measures had improved with significant improvement from Q1 2016/17 onwards.

The Chairman asked for clarification on the figures in the presentation and was informed that the figures up to Q4 2015/16 were actual expenditure whilst the figures for 2016/17 were showing projected year end expenditure. In response to further questions the Panel were informed that the increased costs had mainly been down to increased legal costs.

Cllr Jones asked for clarification on funds being taken out of the Development Fund and going into the Planning Department and was informed that the Development Fund had not been used for funding the Borough Local Plan as this had been capitalised.

The Chairman mentioned he wanted to know the level of investment that had been required to get the Planning Departments into a 'better place' he wanted to see the return on investment and asked if this investment had been in payroll. The Panel were informed that there had been no additional revenue investment and the cost of using an external company had come from existing budgets.

The Chairman mentioned that when the IPMR had shown poor performance Councillors had requested that additional resources be put into the department to improve performance. He also mentioned that where poor performance had been identified requiring additional resources we need to question what we got for the additional investment.

Cllr E Wilson mentioned that it seemed that processes had been improved rather than the addition of extra funding.

Cllr Jones said it was also important to understand lessons learnt and that at Corporate Services O&S Panel they also talked about the Planning Department as a whole and the service provided.

The Panel were informed that following a recent fundamental review of the service an improvement plan was put in place. This resulted in a range of changes and further changes were planned. The changes included improved processes, staffing and technology. Three new Principal Planning Officers were to be recruited with each one being aligned to the three area teams.

The Chairman recommended that the Lead Member for Planning should inform the wider Council of the changes made to the Planning Department.

The presentation was noted.

## FUTURE DELIVERY OF CHILDREN'S SERVICES

The Panel noted the report and held their discussion in Part II around the confidential appendix.

## OPERATIONS AND CUSTOMER SERVICES DIRECTORATE PLAN

The Panel received a presentation on the Operations and Customer Services Quarter 2 Business Plan update. Members were informed that this was the second year of a four year plan. The presentation showed performance against Directorate Level Outputs for Community Protection and Enforcement, Customer Service, Highways and Transport, Information Technology and Libraries Arts and Heritage services areas.

Community Protection and Enforcement: the Panel were informed that out of four outputs two were on target and two were not. The Targets reporting as Red were:

- KO1- Reduce the % of penalty charge notices cancelled due to issuing officer error. Mid-year reviews had identified those officers who were off target as far as the agreed error rate. Plans had been put in place to keep error rates on a downward trend through the rest of the year. Most of the errors had been noticed before being issued.
- KO3 - Help to provide a safe Borough and increase resilience and response to crime and associated enforcement through increased numbers of Community Wardens. The Panel were informed that this was a manifesto commitment and that adverts for two new Community Warden had been placed. Aim is to have original full compliment of 18

wardens in place by January 2017. Increased warden compliment was being reviewed as part of Delivering Differently but the year end target would not be met.

Customer Services: the Panel were informed that the department were struggling with KO1, 40% reduction in avoidable contact from over 5 in 10 to 2 in 10. Members were informed that a lot of contacts were avoidable if things were done differently from the outset. Work was being undertaken to improve the service but it would take time to turn around. Another 'Red' output highlighted to the Panel was Corporate Complaints and it was informed that although off target it was not a bad result as it showed that the change in process was working.

With regards to Highways and Transport it was noted that there had been an increase in fly-tipping. An action plan based upon active enforcement with supporting publicity and proactive campaigns were being used to improve performance. Prevention measures at known sites were also in place as well as a review of customer cost for legal asbestos disposal.

Revenues and Benefits continued to perform well with only one target reporting 'amber'; KO3 1.8% increase in in-year Business Rates collection with Q2 at 57.91%, 0.09% below the collection target.

Cllr E Wilson reported that in May 2015 he had asked for 'Do Not Drop' signs but they were not in place. It was agreed that this would be reported to the RBWM Communications Team.

Cllr Carroll mentioned that it had previously been reported that there had been a drop in satisfaction with the Ground Maintenance Contract and that there was a request for improved quality. The Panel were informed that the contractor had staffing issues in Q1 and that the new contract set more stringent targets; performance had improved.

Cllr L Evans questioned street cleaning as she had a concern about the quality in her ward. The Panel were informed that satisfaction levels were high and officers would talk to her about her concerns.

With regards to IT performance the Panel were informed that there was an upward curve of improvement but there was still work needed to improve the speed of the network. The chairman asked if there was a staff satisfaction survey and was informed that there was a 6 month satisfaction survey and areas for improvement were identified and acted upon.

It was noted that the Libraries, Arts and Heritage outputs were all reporting on target. Cllr Rankin also reported that the Directorate was also reporting over £500k underspend.

The Chairman raised that the libraries were successful in the recruitment of volunteers but this was also a risk if service provision was reliant upon them. He also mentioned that he would encourage trying new smaller delivery approaches / KPI's monitor and change if they do not have a positive impact.

**Resolved unanimously: that the Q2 update be noted.**

## TRANSFORMATION STRATEGY - DELIVERING DIFFERENTLY

The Panel received a presentation on the RBWM Transformation Programme regarding the Delivering Differently thread. Members were informed that the key outputs for this area were:

- Local services delivered locally.
- Better use of digital services.
- Consolidated services in customer functions.
- Mixture of operating models.
- Commercial activity developed.
- Creative use of our assets.

- Communities better supported.

With regards to delivering services locally the Panel were informed that work was underway to merge face to face customer services, through our network of Libraries with Cabinet approval being sought in November 2016. The Panel were also given examples of how the Directorate would be making better use of digital services with the expansion of the digital channel and how there would be a refresh of the website to enable better access to services digitally. The Portfolio Member had indicated he wanted 20,000 My Accounts in operation by 2018.

As part of the Transformation Programme the Council was also looking at introducing a number of mixed operating models such as partnership working with Achieving For Children and Optalis, potential outsourcing in Highways and Streetcare and a mixed model approach for ICT. Outsourcing the day to day management of Parking Enforcement was due to be considered by Cabinet in December 2016.

The Council was also looking at further developing its commercial activities such as RBWM Commercial Services replacing private sector activity for debt recovery and the best use of our assets such as Brocket.

The Chairman asked what were the key skill sets that would enable the merger of customer services and library staff and was informed that there was a synergy with the roles as they were both customer facing. Library staff would be trained to provide the simpler transactions. Initially there would be three hubs established to test if the new arrangements were successful.

Cllr Rankin mentioned that if using Windsor Library as a hub it was important not to downgrade the use of York House.

Cllr Jones asked if there would be an issue of staff undertaking confidential discussion with customers if hubs were in libraries and was informed that officers had looked at best practice across the country and only those services suitable to library buildings would be included.

Cllr Jones also raised concern that it looked as if certain manifesto commitments were being met by rebranding current officer roles.

The Chairman mentioned that the traditional working models for Councils did not support 24/7 365 days operation and thus there needed to be changes in the way we work.

Cllr L Evans mentioned that when undertaking transformation projects it was important that the model benefited RBWM rather than spending millions on using private companies without improvement as other Councils had experienced.

**Resolved unanimously: that the Panel note the presentation.**

## TRANSFORMATION STRATEGY - KNOWING OUR SERVICES

The Panel received a presentation on the Knowing our Services element of the Transformation Strategy and was informed that this was aligned to enabling us to deliver differently.

As part of the Council's aim to become an 'Agile Council' as part of Knowing Our Services it was agreed to undertake Fundamental Service Reviews (FSRs) of our activities and using the information gleaned to plan the future scope and volume of service outcomes, and how they could be achieved.

Between March 2016 and October 2016 57 FSRs had been completed, with a further 2 FSRs due to be completed. The FSRs completed had led to a range of service improvements and savings being identified or realised. The Panel were shown the non cashable benefits and savings for the Corporate and Community Directorate following their FSRs.

The Chairman mentioned that at the end of Knowing our Services it was important to review how many SSR's had been undertaken, what the cost was to the service and what was the cost of the journey. They should also be on the RBWM shared drive with executive summaries being made available.

The Chairman said it was a testament of our managers undertaking these reviews along with their day to day activities.

**Resolved unanimously: that the Panel note the presentation.**

LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

**RESOLVED UNANIMOUSLY: That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the remainder of the meeting whilst discussion takes place on following items on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1-7 of part I of Schedule 12A of the Act.**

The meeting, which began at 7.00 pm, finished at 9.40 pm

CHAIRMAN.....

DATE.....

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# Agenda Item 4

Title: Reserves, Capital Expenditure and Debt
Contains Confidential or Exempt Information: NO – Part I
Member reporting: Councillor Saunders, Lead Member for Finance
Meeting and Date: Audit and Performance Review Panel - 14 December 2017
Responsible Officer(s): Russell O’Keefe, Strategic Director of Corporate and Community Services, 01628 796521. Rob Stubbs, Head of Finance, 01628 796341.
Wards affected: None

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Royal Borough  
of Windsor &  
Maidenhead

## REPORT SUMMARY

1. This report has been requested by The Chair of the Audit and Performance Review Panel.
2. It explains historic and, future estimates for reserves, capital expenditure, cash balances and borrowing.
3. The situation regarding our reducing cash balances has been shared with Members through the monthly Finance Update. The potential increase in corporately funded capital expenditure and reducing balances which will lead to an increase in borrowing was discussed at November Cabinet.
4. Reserves are based on an assessment of the minimum requirement to cover known risks. This is carried out on an annual basis when the budget is set and reviewed monthly through the Finance Update.

## 1. DETAILS OF RECOMMENDATION(S)

**RECOMMENDATION:** That Audit and Performance Review Panel notes the report and:

- i) Reviews the information provided on the various financial indicators.

## **2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED**

### **Cash Balances**

- 2.1. The Council's cash balances currently stand at around £50 million. Towards the end of this financial year a significant decrease in cash balances is expected which will result in a need to increase the Council's borrowing in the short term.
- 2.2. Longer term the Council's capital programme especially on regeneration projects will require an increase in the Council's longer term borrowing to fund the investments justified by subsequent and larger capital receipts and/or income annuities from the property assets created.
- 2.3. Over the last few years there has been a gradual decrease in the Council's cash balances. This is mainly due to the expanding capital programme which has been funded from existing cash balances rather than increasing the Council's external debt and cost of borrowing. This has resulted in significant savings for the Council as the cost of lost investment interest (typically 2%) is lower than interest on borrowing (typically 5%). The average saving would therefore be £150,000 on capital expenditure of £5,000,000 p.a.

### **Capital Expenditure**

- 2.4. The Council's annual capital programme is mostly funded from external sources such as grant and S106 contributions. There is an element of corporately funded expenditure for which no external funding available. This is typically £5,000,000 to £6,000,000 each year.
- 2.5. Corporately funded capital expenditure is funded from capital receipts, minimum revenue provision (a charge on revenue) and borrowing. As mentioned in paragraph 2.3 we have in recent years used cash balances as a short term and financially favourable substitute for additional borrowing.
- 2.6. A fifteen year cash flow forecast is held by Finance which seeks to estimate the timing and quantum of the larger flows which may arise from regeneration projects and other large capital projects such as secondary school expansion. It is clear that it will be necessary to fund a significant amount of capital expenditure before receiving the capital receipts that may result from some of them. These more speculative cash flows are not included in this report as no decision have been made as to the investment and financial strategies required, which will be subject to Panel scrutiny, Cabinet review and Council decisions, before commitments are made.

### **Borrowing**

- 2.7. In the coming financial year it is expected that the Council will reach the point where it cannot remain liquid without increasing its external borrowing. These increased levels of borrowing are expected to be maintained in the longer term until capital receipts are received as part of the regeneration programme. The Council's borrowing strategy may take these capital receipts into consideration so that the period that the Council borrows for is kept to a minimum.



## **Reserves**

- 2.8. Reserves are based on an assessment of the minimum requirement to cover known risks. This is carried out on an annual basis by the Head of Finance when the budget is set (£5,270,000 for 2016-17). The assessment considers known risks and their financial impact over an 18 month period. The reserves position is reviewed monthly through the Finance Update.
- 2.9. There are two reserves that are considered to form the Council's General Fund reserves. These consist of the General Fund itself and the Development Fund. Together they form a forecast balance of £6,490,000 at the year end. This is in excess of the minimum level.
- 2.10. The General Fund is used to fund the day to day activities of providing services to residents. Its expenditure is controlled through the budget and it is funded by Council Tax, Business Rates and Grant. Expenditure is monitored through the Finance Update.
- 2.11. The Development Fund is not an earmarked reserve and can be used to fund any expenditure regardless of whether it is revenue or capital. Typically the reserve is used to fund project work often in support of regeneration or development activities. Its use is controlled by consultation with the Lead Member for Finance and is replenished by a combination of service underspends and grant. Expenditure is monitored through the Finance Update.
- 2.12. Appendix A shows the recent history of each of the above finance categories. It also shows what the immediate future may hold, based on our current committed of cash flows.
- 2.13. The recommendation in the report is made in order to prompt the Audit and Performance review Panel to discuss the issues around treasury management and to make recommendations that the Head of Finance and Lead Member for Finance may find helpful.

**Table 1:** Options for the Audit and Performance Review Panel

<b>Option</b>	<b>Comments</b>
Accept the current position and approach to treasury management.	None
Through discussion make suggestions that could be helpful to the Treasury Management function.	None

## **3. KEY IMPLICATIONS**

- 3.1. The aim is make sure sufficient financing is available to allow the Council to deliver services and implement its capital programme and therefore achieve its objectives.
- 3.2. It is also to ensure that expenditure is kept within the limits defined by the medium term plan and the budget.

3.3. The outcomes in table 2 are indicators of success that are monitored in Finance.

**Table 2: Treasury Management indicators in 2016-17**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
Reserves at year end relative to the minimum level assessed in budget papers	<-1%	+ / - 1%	+1% to +5%	>5%	31 May 2017
Capital financing (MRP and interest) relative to budget	<-1%	+ / - 1%	+1% to +5%	>5%	31 May 2017

**4. FINANCIAL DETAILS / VALUE FOR MONEY**

4.1 New funds are not being sought at this time and this report is for information only. Table 3 has not therefore been completed. Past and future figures for reserves, capital expenditure and borrowing are detailed in appendix A.

**Table 3: Not used**

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	Revenue	Revenue	Revenue
Addition	£0	£0	£0
Reduction	£0	£0	£0
Net impact	£0	£0	£0

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	Capital	Capital	Capital
Addition	£0	£0	£0
Reduction	£0	£0	£0
Net impact	£0	£0	£0

**5. LEGAL IMPLICATIONS**

5.1 None

## 6. RISK MANAGEMENT

**Table 4: Risk Analysis**

<b>Risks</b>	<b>Uncontrolled Risk</b>	<b>Controls</b>	<b>Controlled Risk</b>
That general fund reserves will be depleted by use of the development Fund	Medium	Discussions on the use of the fund take place between the Lead Member for Finance and Finance staff. Position is monitored by Cabinet monthly.	Low

## 7. POTENTIAL IMPACTS

7.1 None.

## 8. CONSULTATION

8.1 Consultation has been internal (Officers and Members).

## 9. TIMETABLE FOR IMPLEMENTATION

9.1 A timetable for implementation is not relevant to this report.

**Table 5: Not Used**

<b>Date</b>	<b>Details</b>

9.2 Implementation date if not called in: N/A

## 10. APPENDICES

10.1 Appendix A: Reserves, Capital Expenditure cash balances and borrowing

## 11. BACKGROUND DOCUMENTS

11.1 Finance Update 24 November 2016 Cabinet.

## 12. CONSULTATION (MANDATORY)

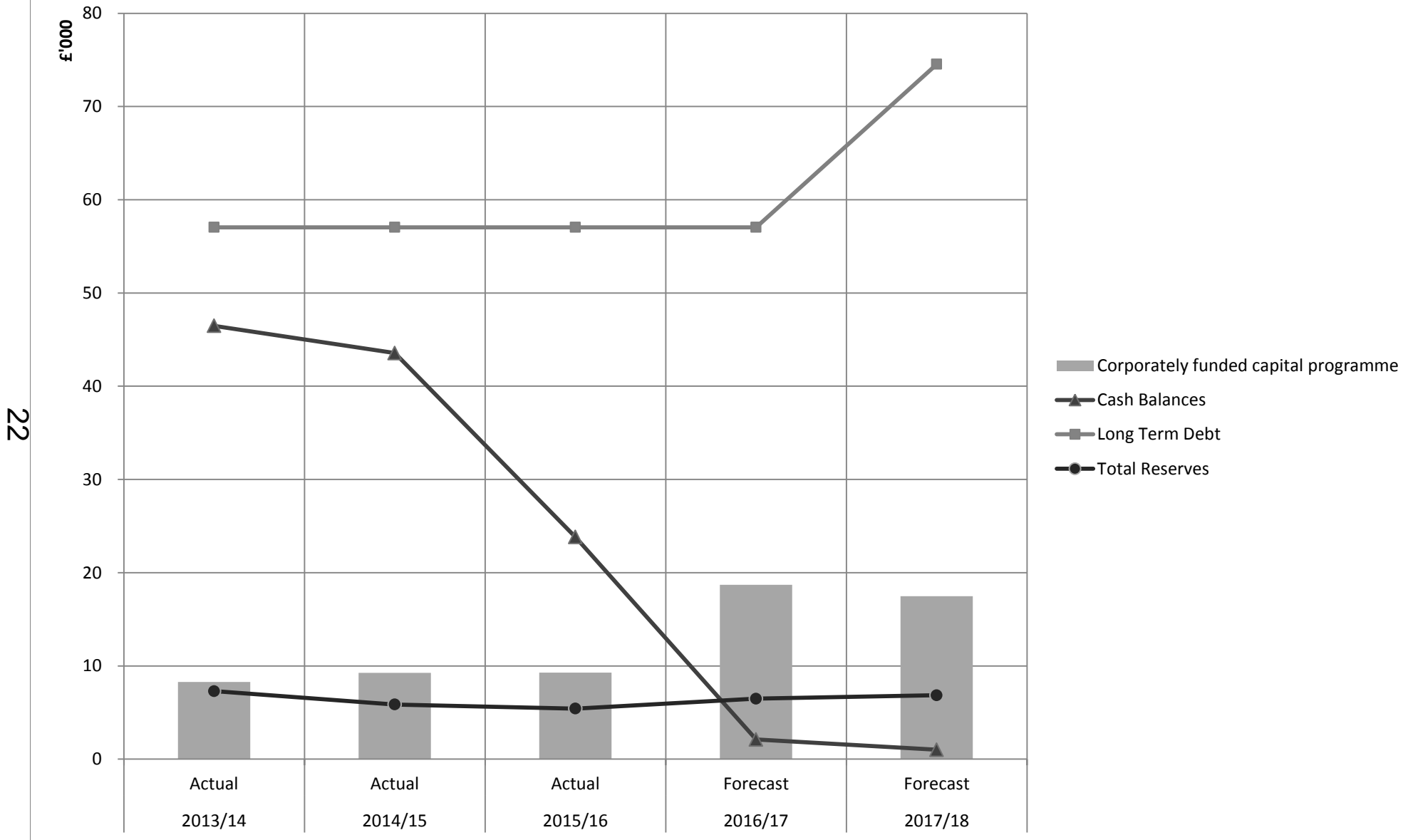
<b>Name of consultee</b>	<b>Post held</b>	<b>Date sent</b>	<b>Commented &amp; returned</b>
Cllr Saunders	Lead Member/ Principal Member/Deputy Lead Member	5-12-2016	6-12-2016
Russell O'Keefe	Strategic Director of Corporate and Community Services	6-12-2016	6-12-2016
Rob Stubbs	Section 151 Officer	5-12-2016	5-12-2016

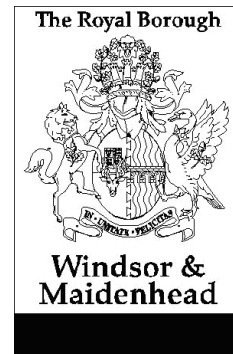
### REPORT HISTORY

<b>Decision type:</b> For information	<b>Urgency item?</b> No
Report Author: Richard Bunn, Chief Accountant, 01628 796510	

	2013/14 Actual £'000	2014/15 Actual £'000	2015/16 Actual £'000	2016/17 Forecast £'000	2017/18 Forecast £'000
<b>Corporately funded capital programme</b>	8,267	9,253	9,274	18,700	17,489
<b>Cash Balances</b>	46,477	43,548	23,825	2,107	1,011
<b>Long Term Debt</b>	57,049	57,049	57,049	57,049	74,538
Development Fund	1,977	1,262	648	1,204	1,848
General Fund	5,322	4,606	4,768	5,286	5,000
<b>Total Reserves</b>	<b>7,299</b>	<b>5,868</b>	<b>5,416</b>	<b>6,490</b>	<b>6,848</b>

### Capital programme vs Long term debt and reserves





Report for:  
ACTION

<b>Contains Confidential or Exempt Information</b>	NO - Part 1
<b>Title</b>	2016-17 Shared Audit and Investigation Service Interim Report
<b>Responsible Officer(s)</b>	Rob Stubbs, Head of Finance and Deputy Director of Corporate and Community Services
<b>Contact officer, job title and phone number</b>	Catherine Hickman, Service Manager – Shared Audit & Investigation Service 07917 265742
<b>Member reporting</b>	Cllr Paul Brimacombe
<b>For Consideration By</b>	Audit and Performance Review Panel
<b>Date to be Considered</b>	14 <sup>th</sup> December 2016
<b>Implementation Date if Not Called In</b>	Ongoing
<b>Affected Wards</b>	All
<b>Keywords/Index</b>	Audit and Investigation

## Report Summary

1. This report summarises the Shared Audit and Investigation Service (SAIS) activity, including progress in achieving the 2016/17 Internal Audit Plan during the first six months of 2016/17 to 30 September 2016. This report will complement the 2016/17 Annual Audit and Investigation Report that will be presented to the Audit & Performance Review Panel (A&PRP) in June 2017.
2. It recommends that Members note the activity of the SAIS during the first six months of the 2016/17 financial year and the outcome of the audit reviews and investigations undertaken.
3. This recommendation is being made to ensure that the Council meets its legislative requirements as well as the requirements of the A&PRP's Terms of Reference (ToR) and the Council's Anti Fraud and Anti Corruption Policy.
4. If adopted, the key financial implications for the Council are contributing revenue costs to the SAIS.

## If recommendations are adopted, how will residents benefit?

Residents will have independent and objective assurance that the Council's control environment (comprising risk management, control and governance) is operating effectively, that resources are being used economically, efficiently and effectively and that public monies and the Council's assets and interests are being safeguarded.	Ongoing
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## 1. DETAILS OF RECOMMENDATION

### RECOMMENDED:

**That Members are asked to note the Shared Audit and Investigation Service activity for the six months ending 30 September 2016.**

## 2. REASON FOR RECOMMENDATION AND OPTIONS CONSIDERED

- 2.1 The Accounts and Audit Regulations 2015 require that every local authority undertakes an effective internal audit of their risk management, internal control and governance processes.
- 2.2 In addition, the Council's Chief Financial Officer (Head of Finance) has a statutory duty under Section 151 of the Local Government Act 1972 to establish a clear framework for the proper administration of the authority's financial affairs. To perform that duty, the Section 151 Officer relies, amongst other things, upon the work of Internal Audit in reviewing the operation of systems of internal control and financial management. The SAIS carries out the work required to satisfy this legislative requirement and reports its findings and conclusions to the A&PRP.
- 2.3 The aim of the report attached at Appendix A and the supporting Appendix A(i) is to cover these legislative requirements and it also provides a summary of the Council's investigation activities, as required to be reported on a half yearly and annual basis to the A&PRP in accordance with the Council's Anti Fraud and Anti Corruption Policy.
- 2.4 The 2016/17 Internal Audit Plan was approved by the A&PRP on 7<sup>th</sup> April 2016. The emphasis on developing the Internal Audit Plan was based on mandatory and legislative requirements and the risks set out in the Corporate Risk Register (CRR) and it is clearly targeted at assisting the Council in achieving its key objectives.
- 2.5 Whilst a number of audit reviews are effectively considered as mandatory (key financial systems, particularly high risk items etc), others enter or leave the Audit Plan based on the CRR uncontrolled risk rating and the views of officers and Members. As such, the Plan is fluid and is regularly realigned to accommodate changes to the CRR, thereby ensuring that it remains current and focussed on the key risks affecting the Council.

Option	Comments
Accept the attached report and supporting appendix and note the activity of the SAIS during the first six months of the financial year. <b>Recommended</b>	This will ensure that the Council meets its statutory requirements. In addition, the A&PRP will comply with its responsibilities as set out within their ToR and also the requirements of the Council's Anti Fraud and Anti Corruption Policy.
Accept this report with amendments.	Members may wish to request that this report be amended / altered if they feel that there are material issues which have not received sufficient emphasis or if there are specific issues the report is deficient in.



Not approve this report.	<p>This may expose the Council to unnecessary risks by not having an adequate internal control framework leading to poor performance and poor outcomes for service users/residents.</p> <p>It may result in a qualification in the External Auditors' Annual Management Letter.</p>
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### 3. KEY IMPLICATIONS

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date they should be delivered by
SAIS work is effective and is on track to achieve the 2016/17 Internal Audit Plan, approved by A&PRP on 7 <sup>th</sup> April 2016. In addition, the Panel is complying with the requirements of its ToR and the requirements of the Council's Anti Fraud and Anti Corruption Policy.	Failure of the Council to meet its statutory requirements and failure of the A&PRP to discharge its responsibilities.	Council meets its statutory requirements to provide an adequate and effective internal audit of its system of internal control. A&PRP discharges its responsibilities.	n/a	n/a	Ongoing
Unqualified External Audit Financial Accounts and Management Letter.	Adverse comment and a qualified External Audit Management Letter if the Council fails to maintain an adequate Internal Audit function.	Unqualified External Audit Management Letter as Council meets its requirements to provide an adequate and effective Internal Audit function.	n/a	n/a	Ongoing

Residents have confidence that public funds are being used economically, efficiently and effectively and that Council assets and interests are being safeguarded from misappropriation, loss or fraud.	Loss of residents' confidence, Council assets and interests may not be safeguarded and the Council's reputation may be affected if there are not effective Internal Audit and Investigation functions.	Gain residents confidence, Council assets and interests are safeguarded and the Council's reputation is protected as Council provides an effective Internal Audit and Investigation functions.	n/a	n/a	Ongoing
External Audit fee kept to a minimum.	Increase in the External Audit fee arising from them being required to undertake additional audit work by not being able to place reliance on the work of Internal Audit.	External Audit relies on the work of Internal Audit keeping External Audit fee to a minimum.	n/a	n/a	Ongoing

#### 4. FINANCIAL DETAILS

##### a) Financial impact on the budget

Revenue - Officer time in dealing with provision of the SAIS  
Capital - None

##### b) Financial Background (optional) – N/a

#### 5. LEGAL IMPLICATIONS

5.1 Accounts and Audit Regulations 2015  
CIPFA/IIA Public Sector Internal Audit Standards 2013  
Fraud Act 2006  
Regulation of Investigatory Powers Act 2000  
S151 Local Government Finance Act 1972  
Theft Act 1968.

#### 6. VALUE FOR MONEY

6.1 Internal Audit and Investigation work is planned to assist the Council in ensuring that its assets are used efficiently and effectively and that they are being properly safeguarded against misappropriation, loss and fraud. The Internal Audit function provides an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. It helps the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

## 7. SUSTAINABILITY IMPACT APPRAISAL - N/a

## 8. RISK MANAGEMENT

Risks	Uncontrolled	Controls	Controlled
1. Failure of the Council to adequately plan and undertake audit reviews leading to failure to meet its statutory requirements. Without an adequate internal audit function, the Council's key systems and services are consequently at risk of not achieving their objectives in the most economic, efficient and effective way thus being exposed to misappropriation / loss.	High	Ensure and demonstrate an adequate internal audit function.  Provide a regular written progress report on the work of internal audit to those charged with governance for endorsement.	Low
2. Failure to provide assurance that the work of the Internal Audit function properly supports the RBWM governance framework, the content of the Annual Governance Statement and the requirement for additional External Audit work at an enhanced cost to the Council.	High	Internal audit coverage included as part of the governance assurance framework and informing the Annual Governance Statement.  Sufficient Internal Audit coverage for External Audit to be able to place reliance on the work.	Low

## 9. LINKS TO STRATEGIC OBJECTIVES

9.1 The 2016/17 Internal Audit Plan, which includes entries within the Council's CRR, helps the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, governance processes, safeguard Council assets and undertake investigations into misappropriation, loss or fraud.

## 10. EQUALITIES, HUMAN RIGHTS AND COMMUNITY COHESION - N/a

## 11. STAFFING/WORKFORCE AND ACCOMMODATION IMPLICATIONS - N/a

## 12. PROPERTY AND ASSETS - N/a

## 13. ANY OTHER IMPLICATIONS - N/a

## 14. CONSULTATION

14.1 Consultation has taken place with the Corporate Management Team, S151 Officer, Directorate Management Teams, Insurance and Risk Manager and External Audit in the preparation of the 2016/17 Internal Audit and Corporate Plans.

14.2 Management and staff have been consulted prior to, during the course of the audits and at their conclusion, to ensure that audits have been timed to suit both parties, to incorporate managements' priorities, to agree a course of action to implement the countermeasures to the identified causes and concerns.

## 15. TIMETABLE FOR IMPLEMENTATION

15.1 The timetable for completion of the 2016/17 Internal Audit Plan is 31 March 2017.

## 16. APPENDICES

Appendix A – Shared Audit and Investigation Service 2016/17 Interim Progress Report (to 30 September 2016)

Appendix A (i) – 2016/17 Internal Audit Plan status (1<sup>st</sup> April 2016 - 30<sup>th</sup> September 2016)

## 17. BACKGROUND INFORMATION

2016/17 Internal Audit Plan  
Anti Fraud and Anti Corruption Policy.

## 18. CONSULTATION (Mandatory)

Name of Consultee	Post held and Department	Date sent	Date response received	See comments in paragraph
Internal				
Cllr Paul Brimacombe	Chair of Audit and Performance Review Panel	2/12/16		
Corporate Management Team (CMT)	Managing Director, All Strategic Directors, Head of Finance and Deputy Director of Corporate and Community Services and the Head of Human Resources	17/11/16	30/11/16	Minor amendments to the report
External Audit	KPMG	5/12/16		

### Report History

Decision type:		Urgency item?	
Key decision entered into the Forward Plan		N/a	
Report no.	Full name of report author	Job title	Full contact no:
	Catherine Hickman	Service Manager, Shared Audit and Investigation Service	07917 265742

**Shared Audit and Investigation Service  
Royal Borough of Windsor and Maidenhead Performance Report**

**2016/17 Interim Progress Report (1 April 2016 to 30 September 2016)**

## **1. INTRODUCTION**

- 1.1 This report summarises the work of the Shared Audit and Investigation Service from 1 April 2016 until 30 September 2016. There are three key areas of the service's work; Internal Audit, Governance and Investigations.
- 1.2 Internal Audit is a statutory function under the Audit and Accounting Regulations 2015 and it is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 1.3 Investigation work involves the proactive prevention, detection and investigation of fraud, corruption and wrong-doing. The main focus of this activity is financial fraud committed against the council. However, the team can use their skills in other relevant cases i.e. disciplinary investigations.
- 1.4 The Service Manager, Shared Audit and Investigation Service under the Regulation of Investigatory Powers Act 2000 (RIPA) is the Council's RIPA Monitoring Officer responsible for oversight and control over RIPA applications. RIPA regulates the ways that government bodies, including the police, are allowed to carry out surveillance, which includes accessing any communications data, listening to phone calls, following people, taking photographs and intercepting e-mails.

## **2. INTERNAL AUDIT**

- 2.1 Appendix A(I) presents progress made against the 2016/17 Internal Audit Plan to 30 September 2016. Since April 2016 management have been given the opportunity to implement agreed countermeasures within one month of the issue of the draft report that could result in a change to the overall audit opinion awarded at final report stage. There have been no audits at Final Report Stage in 2016/17 to date where there has been a change in overall audit opinion awarded. Table 1 below summaries the categories of audit opinion awarded for audits completed to Final Report stage.

Table 1 : Summary of audit opinion awarded

Overall Opinion	Definitions	No of Audits
1	Complete and Effective	1
2	Substantially complete and generally effective	9
3	Range of risk mitigation controls is incomplete and risks are not effectively mitigated	5
4	There is no effective risk management process in place	1
<b>Total</b>		<b>16</b>

2.2 It is pleasing to note that for the audits completed, one audit, Capital Accounting, Programme and Expenditure Monitoring attracted the highest category of audit opinion.

2.3 There was one audit that attracted the fourth audit opinion which related to the 2015/16 Cash and Bank Reconciliation review. Due to the nature of the findings for the Cash and Bank Reconciliation audit, internal audit undertook a follow up review in the first quarter of 2016/17 where it was established that improvements had been made to the control environment. A full audit of this important key financial system will be undertaken in quarter 4 to confirm improvements.

2.4 Of the audits completed in the year to date, including those carried forward from 2015/16, five have resulted in the third category of opinion. Management actions have been agreed for each of the audits and CMT are comfortable with the mitigating actions proposed. All the major concerns are being revisited by Internal Audit when their target dates have arrived which will be reported to subsequent meetings of this Panel. The five areas are summarised in paragraphs 2.4.1 – 2.4.5 below.

#### 2.4.1 Children’s safeguarding

The areas where there is an opportunity for improvement centred around Disclosure Barring Service checks and Governance. It is pleasing to note that management have agreed to put in place appropriate controls that mitigate those risks and that the Deputy Director, Health, Early Help and Safeguarding has already commenced addressing the major concerns by supplying evidence on the treatment measures proposed. Internal audit has verified the introduction of Trigger Plans through attendance of the Child Sexual Exploitation Operational Group and appropriate documentation.

#### 2.4.2 Payroll

Areas for improvement centred around reconciliations, the service's Business Continuity Plan and Payroll Systems Access Authorisation. Management keep internal audit up to date with progress against the countermeasures in the management action plan and the latest position is that the major risk concern around reconciliations has not yet been implemented but is planned for quarter 3 and this will be verified at the next annual audit scheduled for quarter 4. In addition, it should be noted that management has requested consultancy from internal audit to assist in identifying efficiencies within the payroll process to enable capacity to be freed that will aid the mitigation of the reconciliation risk.

#### 2.4.3 Flooding

The areas where there is opportunity for improvement centred around meeting statutory requirements for maintaining a Flood Defence Asset Register and delays to the delivery of Highways Drainage and Flood Management schemes.

#### 2.4.4 Tree Management

Areas for improvement centred around the current 'expert' inspection regime and the 'basic' inspection of trees and confirmation of the council's risk appetite in the Tree and Woodlands Strategy 2010-2020.

#### 2.4.5 Contract management

An Emerging Findings Memorandum was issued in March 2016 which highlighted that little progress had been made in terms of the Management Action Plan agreed actions from the 2014/15 audit review. Internal Audit welcomed comments on the proposed way forward to address the ongoing concerns. A Contract Management audit was included in the 2016/17 Internal Audit Plan approved by the Audit and Performance Review Panel on 7<sup>th</sup> April 2016. Dialogue with management is currently taking place to commence this audit review.

2.5 There is an allocation of days for contingency work within the Plan. Up to the end of September 2016, work was requested by Senior Management in eight areas, none of which has resulted in a category 3 or 4 audit opinion.

- Spot checks - ongoing
- IT security incidents follow up spot checks - ongoing
- Cash & bank reconciliation – follow up in quarter 3
- Deputyship and appointeeships – draft report
- Pensions board governance – final report
- Highways infrastructure assets – draft report
- Payroll consultancy - ongoing
- Grant certification; Social Care Capital Grant, Troubled Families Grant, Disabled Facilities Grant, Integrated Transport and Highways Maintenance Grant – completed

2.6 Six audits have outstanding management responses and these have been escalated to the Head of Finance and Deputy Director of Corporate and Community Services.

- Risk management 2015/16 – draft report issued quarter 4
- Waste management 2015/16 – draft report issued quarter 4
- Contract management 2015/16 – issued quarter 4
- Technology obsolescence 2015/16 – issued quarter 4
- Courthouse Junior School 2015/16 – response now received
- School improvement 2016/17 - issued quarter 2
- Deputyship and appointeeships 2016/17 - issued quarter 2

### **3. DEVELOPMENT OF NEW SYSTEMS/SPECIAL PROJECTS**

3.1 There have not been any requests to attend any project groups for the first half of this financial year.

### **4 INVESTIGATIONS**

4.1 The first six months performance of investigations covers the losses identified to the Council see Table 2.



Table 2 Financial results: Identified Losses to 30 September 2016

Area of work	Value (£'s)	Comments
Business Rates Relief/Exemption*	8,293.45	Fraudulent applications for exemptions and reliefs, unlisted properties
Council Tax Reduction Scheme* (CTRS)	12,535.86	Fraudulent applications for Council Tax Reduction
Direct Payments	1,229.14	Overstatement of needs through false declaration
Council Tax - discount/exemption*	295.15	Fraudulent applications for discount/exemption
<b>Total</b>	<b>22,353.60</b>	

\* The amounts are debited from the relevant accounts and then collected in accordance with council tax recovery legislation. Some have been fully paid and others by arrangement.

4.2 Had the above fraudulent activities not been identified by the Investigation Team and therefore carried on to the end of the financial year, they would have cost the council a further £9,766.12.

4.3 The Investigation Team have undertaken the following other investigation work;

- 1 Disciplinary investigation
- 1 Fact finding investigation
- 2 Social Care Investigations; 1 is still ongoing in conjunction with Thames Valley Police
- 2 Grievance Investigations
- CTRS sanctions – 6 CTRS penalties and 1 administrative penalty

4.4 In addition to the reactive investigation of fraud, the Investigations Team has performed a review of properties categorised as unfurnished and unoccupied to identify homes that have returned back into use to ensure that the Council maximises revenue from the New Homes Bonus. The results of this will be reported in the Audit and Investigation Annual Report.

## 5. REGULATION OF INVESTIGATORY POWERS ACT

5.1 No investigation cases have been undertaken during the first six months of 2016/17 that have required RIPA surveillance approval to be requested.

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**2016/17 Royal Borough of Windsor and Maidenhead Internal Audit Plan Status  
(as at 30 September 2016)**

<b>AUDIT TITLE</b>	<b>DIRECTORATE</b>	<b>STATUS</b>	<b>FINAL AUDIT REPORT OPINION</b>
<b>2015/16 Audits</b>			
<b>Mandatory Key Systems</b>			
Payroll	Adult, Children & Health Services	FINAL	3
Creditors	Corporate & Community Services	FINAL	2
Cash & Bank Reconciliation	Corporate & Community Services	Emerging Findings Memo	
Capital Programme, Accounting, Expenditure Monitoring	Corporate & Community Services	FINAL	1
Housing Benefits/CTRS	Operations & Customer Services	FINAL	2
Council Tax	Operations & Customer Services	FINAL	2
NNDR	Operations & Customer Services	FINAL	2
<b>Governance Building Blocks</b>			
Health and Social Care Act	Adult, Children & Health Services	FINAL	2
Risk Management (follow up)	Corporate & Community Services	DRAFT	
Financial Management (including budget monitoring, budgetary control, Economy outside of MTFP and the MTFP).	Corporate & Community Services	FINAL	2
<b>Key Strategic Risks</b>			
IT Infrastructure Audit	Operations & Customer Services	DRAFT	
Technology Obsolescence	Operations & Customer Services	DRAFT	
<b>Key Operational Risks</b>			
Adult Social Care - Demographic Growth	Adult, Children & Health Services	FINAL	2
Children's Safeguarding	Adult, Children & Health Services	FINAL	3
Flooding	Operations & Customer Services	FINAL	3
Waste Management	Operations & Customer Services	DRAFT	
<b>Auditor Judgement</b>			
CRSA Courthouse Junior	Adult, Children & Health Services	DRAFT	E
CRSA Oakfield First	Adult, Children & Health Services	FINAL	E
Contract Management	Cross Cutting	Emerging Findings Memo	

AUDIT TITLE	DIRECTORATE	STATUS	DRAFT AUDIT REPORT OPINION	FINAL AUDIT REPORT OPINION
<b>2016/17 Audits*</b>				
<b>Key Strategic Risks</b>				
IT Audit: Networks and Connectivity Penetration Testing	Operations & Customer Services	WIP		
<b>Key Operational Risks</b>				
Adult Safeguarding	Adult, Children & Health Services	FINAL	2	2
School Improvement	Adult, Children & Health Services	DRAFT	2	
Housing Options	Adult, Children & Health Services & Operations and Customer Services	WIP		
Tree Management	Corporate & Community Services	FINAL	3	3
S106	Corporate & Community Services	WIP		
Shared Property Services	Corporate & Community Services	WIP		
Contract Auditing	Cross Cutting	WIP		
<b>Secondary, Special and Middle Schools</b>				
Churchmead	Adult, Children & Health Services	WIP		
<b>Auditor Judgement</b>				
Wraysbury Primary School	Adult, Children & Health Services	WIP		
Alexander First School	Adult, Children & Health Services	WIP		
Holy Trinity (Sunningdale) Primary School	Adult, Children & Health Services	WIP		
South Ascot Primary School	Adult, Children & Health Services	WIP		
Waltham St Lawrence Primary School	Adult, Children & Health Services	WIP		
Public Sector Internal Audit Standards Compliance	Corporate & Community Services		E	
<b>Contingency</b>				
Payroll	Adult, Children and Health Services	WIP		
Cash & Bank Reconciliation Follow up	Corporate & Community Services	FINAL	N/A	
Grant Cert: Social Care Capital Grant	Corporate & Community Services	FINAL	Cert	
Grant Cert: Troubled Families	Corporate & Community Services	FINAL	Cert	
Grant Cert: Disabled Facilities Grant	Corporate & Community Services	FINAL	Cert	
Grant Cert: Integrated Transport & Highways Maintenance	Corporate & Community Services	FINAL	Cert	
Pensions Board Governance	Corporate & Community Services	FINAL	2	
IT Security Incidents	Cross Cutting	WIP		
Spot checks	Cross Cutting	WIP		
Deputyship and Appointeeships	Operations & Customer Services	DRAFT		

**Audit Opinion Definitions**

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- 1 Complete and Effective
- 2 Substantially Complete and Generally Effective
- 3 Range of Risk Mitigation Controls is incomplete and risks are not effectively mitigated
- 4 There is no effective Risk Management process in place

Cert – Certification  
E – Exempt

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\* A new system was introduced in 2016/17 which gives management the opportunity to implement agreed countermeasures within one month of the issue of the draft report that could result in a change to the overall audit opinion awarded at final report stage.

Legend

WIP – Work in progress

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# Agenda Item 9

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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